



# **Town of Barrington**

**TOWN MANAGER**

**Barrington Town Hall | 283 County Road | Barrington, RI 02806**

**Testimony from Jim Cunha, Barrington Town Manager**

**Governor's Budget Request (H 6122), Article 11 – Adult Use Marijuana**

**House Committee on Finance – April 29, 2021**

Chairman Abney and members of the Finance Committee, thank you for the opportunity to submit regarding adult use marijuana and H6122, Article 11. In speaking with colleagues from other states, if Rhode Island legalizes marijuana, our cities and towns will bear most of the direct burden. As we have all seen in Massachusetts, MJ retail outlets cause a great deal of traffic and congestion, and local law enforcement need to respond to emergency calls and complaints about nuisance properties.

## **Opposition to Opt-Out Referendum; Local Decisions Should be Made by Town Council Action**

Barrington needs to make the decisions regarding marijuana facilities and sales in our community. We are united with other municipalities in our belief that it should be a local decision. Article XIII of the state constitution endorses home rule and self-governance for our cities and towns. Barrington residents elect our Town Council members to make decisions regarding our local finances, public safety, education and other issues that shape and define Barrington. I strongly believe that the decision to approve or deny the allowance of marijuana facilities and sales must be a local one.

I oppose the mandatory opt-out ballot referendum and prefer the use of municipal ordinances to ensure local control of these important decisions. As proposed in the Governor's budget, the vote would be administered via special election. Special elections are costly to administer, unbudgeted costs and have historically low turnout. I am deeply concerned that a special election would lead to special interest money in support of legalized marijuana and that a small number of voters would effectively make a permanent decision for the entire community. This is not democracy! Special elections also require months to plan and implement. If the General Assembly passes marijuana legalization in June 2021, with a referendum required by November 2021, Barrington will not have sufficient time to deliberate whether to pursue a special referendum.



### **Local Governments Request Fair Revenue Sharing**

The Governor's budget proposal allows for local revenue sharing – about 3% of sales – distributed by the state across communities through a complex formula, with communities that have more retail businesses and sales receiving more revenue. While some communities may appreciate the Governor's intent to share state funds across all communities, I would request that taxes and fees go directly to the Town of Barrington. As demonstrated time and time again over recent years, when facing deficits, the State scoops money from restricted receipt accounts or reduces municipal aid. While Governor McKee has been a champion for municipalities, we cannot guarantee his current proposal for revenue sharing will be honored in the future. For that reason, I support allowing a local sales tax of at least 3%, remitted directly to the city or town – the same approach as in Massachusetts and similar to the Senate proposal (S 0568).

The Governor's budget proposal also specifically prohibits community host agreements, which Massachusetts cities and towns may use to set conditions on facility operations to address local concerns. In Massachusetts, communities may charge fees up to 3% of sales in addition to the local sales tax to mitigate broader impacts, and communities have used those funds to invest in schools and infrastructure. Instead, the Governor's budget proposal allows temporary impact fees, but only for the first three months of operation. Given the numerous costs from new marijuana facilities and stores, I believe that impact fees should be extended to reflect local needs. I also support the municipal safety grants that are included in the Governor's proposal, which would provide direct assistance to the Barrington Police and Fire departments to address the impacts of legalized marijuana on law enforcement and public health.

### **Educational Outreach and Treatment Funds for Communities**

Any legalization proposal should robustly support public education campaigns and treatment for substance use disorders through community-based health initiatives. Currently, the Governor's budget proposal reinvests a portion of revenues for state agencies to enhance treatment, prevention, and surveillance capacity. Ultimately, educational outreach and treatment funds must be spent in our communities – supporting Barrington organizations and providers that recognize the needs and challenges of our community.

### **State Licensing Decisions Have Local Impacts**

The Governor proposes an Office of Cannabis Regulation (OCR) within the Department of Business Regulation (DBR), while the Senate proposal would create a new, independent Cannabis Control Commission (CCC). These entities would have near-unilateral authority in determining how many retail establishments would be licensed and where they would operate. No matter how many licenses are authorized, municipalities should have substantial input into the application review process.

Any state licensing authority should set reasonable limits on the number and location of licensed establishments and ensure that all facilities comply with local zoning, public safety and other relevant

requirements. The Senate proposal would establish an independent authority and allocate three retail licenses per community under 30,000 residents, with an additional license permitted for each 10,000 residents above 30,000. This approach could authorize nearly 150 retail establishments statewide, overwhelming all cities and towns.

The Governor proposes a centralized licensing system through the Office of Cannabis Regulation and the Department of Business Regulation. The Governor's budget proposal would permit 25 retail licenses per year over three years, which is more reasonable than the Senate target. However, the state authority must ensure equitable geographic distribution of retail establishments so that some communities do not bear disproportionate impacts.

#### Personnel Policies Must Protect Public Safety

Finally, Barrington -- like many employers -- is concerned with workforce management issues that could result from marijuana legalization. Those employees in public works, public safety or other important positions could cause harm to the public if they were impaired at work.

Fortunately, Article 11 allows employers to establish policies prohibiting the use or possession of marijuana in the workplace and/or working under the influence. This proposal appears to give employers greater authority to conduct disciplinary action or terminate an employee whose drug test shows they were under the influence or impaired at work -- a provision that I support. Further, I endorse the language allowing employers to request confirmation from the Department of Health that an employee holds a medical marijuana card. I would also recommend language from S 0568 be incorporated into any final proposal that would clarify that employers are not required to pay for the medical use of cannabis through health insurance or workers compensation.

Marijuana legalization will have a major impact on Barrington, and our Town Council should have sufficient operational control, oversight and resources in any legalization proposal. Thank you for your consideration of my views.



J. CUNHA